

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-0151-PWS-E **TCEQ ID:** RN101205136 **CASE NO.:** 32507
RESPONDENT NAME: Church Hill Water Supply Corporation

Page 1 of 2

| | | |
|---|--|---|
| ORDER TYPE: | | |
| <input checked="" type="checkbox"/> 1660 AGREED ORDER | <input type="checkbox"/> FINDINGS AGREED ORDER | <input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING |
| <input type="checkbox"/> FINDINGS DEFAULT ORDER | <input type="checkbox"/> SHUTDOWN ORDER | <input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER |
| <input type="checkbox"/> AMENDED ORDER | <input type="checkbox"/> EMERGENCY ORDER | |
| CASE TYPE: | | |
| <input type="checkbox"/> AIR | <input type="checkbox"/> MULTI-MEDIA (check all that apply) | <input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE |
| <input checked="" type="checkbox"/> PUBLIC WATER SUPPLY | <input type="checkbox"/> PETROLEUM STORAGE TANKS | <input type="checkbox"/> OCCUPATIONAL CERTIFICATION |
| <input type="checkbox"/> WATER QUALITY | <input type="checkbox"/> SEWAGE SLUDGE | <input type="checkbox"/> UNDERGROUND INJECTION CONTROL |
| <input type="checkbox"/> MUNICIPAL SOLID WASTE | <input type="checkbox"/> RADIOACTIVE WASTE | <input type="checkbox"/> DRY CLEANER REGISTRATION |
| <p>SITE WHERE VIOLATION(S) OCCURRED: Church Hill WSC, at the intersection of County Road 331D and Farm-To-Market Road 1251, Rusk County</p> <p>TYPE OF OPERATION: Public water supply</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on July 23, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Tel Croston, Enforcement Division, Enforcement Team 2, MC 169, (512) 239-5717; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896 Respondent: Mr. David Whitehead, President, Church Hill Water Supply Corporation, Post Office Box 482, Henderson, Texas 75653 Respondent's Attorney: Not represented by counsel on this enforcement matter</p> | | |

VIOLATION SUMMARY CHART:

| VIOLATION INFORMATION | PENALTY CONSIDERATIONS | CORRECTIVE ACTIONS TAKEN/REQUIRED |
|---|---|---|
| <p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: November 14, 2006</p> <p>Date of NOE Relating to this Case: January 9, 2007 (NOE)</p> <p>Background Facts: This was a routine investigation. Five violations were documented.</p> <p>WATER</p> <p>1) Failure to provide a well capacity of 0.6 gallons per minute ("gpm") per connection. Specifically, a facility with 129 connections should provide a minimum capacity of 77 gpm. At the time of the inspection, the total capacity was only 50 gpm, a 35% deficiency [30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(i) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].</p> <p>2) Failure to provide a pressure tank capacity of 20 gallons per connection. Specifically, a facility with 129 connections should have a tank capacity of 2,580 gallons. At the time of the inspection, the total capacity was 2,000 gallons, a 22% deficiency [30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(iv) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].</p> <p>3) Failure to provide a total storage capacity of 200 gallons per connection. Specifically, a facility with 129 connections should have a total storage capacity of 25,800 gallons. At the time of the inspection, the total capacity was 22,000 gallons, a 15% deficiency [30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(ii) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].</p> <p>4) Failure to maintain the ground storage tank in accordance with American Water</p> | <p>Total Assessed: \$1,207</p> <p>Total Deferred: \$241 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$966</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> | <p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order;</p> <p>i. Repair and begin maintaining the exterior coating on the ground storage tank; and</p> <p>ii. Replace the door to the housing for the chlorination equipment and begin maintaining it.</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below in Ordering Provision d., and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.</p> <p>c. Within 90 days after the effective date of this Agreed Order;</p> <p>i. Provide a well capacity of not less than 0.6 gpm;</p> <p>ii. Provide a minimum pressure tank capacity of 20 gallons per connection; and</p> <p>iii. Provide a minimum storage tank capacity of 200 gallons per connection.</p> <p>d. Within 105 days after the effective date of this Agreed Order, submit written certification including detailed supporting documentation and/or other records to demonstrate compliance with Ordering Provision c.</p> |

| | | |
|--|--|--|
| <p>Works Association standards. Specifically, at the time of the inspection, the exterior of the tank showed signs of deterioration [30 TEX. ADMIN. CODE § 290.43(c)(8)].</p> <p>5) Failure to maintain the housing for the gas chlorination equipment. Specifically, at the time of the inspection, the door needed to be repaired or replaced [30 TEX. ADMIN. CODE § 290.46(m)].</p> | | |
|--|--|--|



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

TCEQ

DATES

Assigned

22-Jan-2007

PCW

1-Feb-2007

Screening

1-Feb-2007

EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent Church Hill Water Supply Corporation

Reg. Ent. Ref. No. RN101205136

Facility/Site Region 05-Tyler

Major/Minor Source Minor

CASE INFORMATION

Enf./Case ID No. 32507

Docket No. 2007-0151-PWS-E

Media Program(s) Public Water Supply

Multi-Media

Admin. Penalty \$ Limit Minimum \$50 Maximum \$1,000

No. of Violations 5

Order Type 1660

Enf. Coordinator Tel Croston

EC's Team EnforcementTeam 2

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 \$1,150

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History

5% Enhancement

Subtotals 2, 3, & 7

\$57

Notes

Respondent was issued one NOV for the same or similar type violation in the past five years.

Culpability

No

0% Enhancement

Subtotal 4

\$0

Notes

Respondent does not meet the culpability criteria.

Good Faith Effort to Comply

0% Reduction

Subtotal 5

\$0

Before NOV

NOV to EDPRP/Settlement Offer

Extraordinary

Ordinary

N/A

X

(mark with x)

Notes

The Respondent does not meet the good faith criteria.

Total EB Amounts

\$1,189

Approx. Cost of Compliance

\$16,250

0% Enhancement*

*Capped at the Total EB \$ Amount

Subtotal 6

\$0

SUM OF SUBTOTALS 1-7

Final Subtotal

\$1,207

OTHER FACTORS AS JUSTICE MAY REQUIRE

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Adjustment

\$0

Notes

Final Penalty Amount

\$1,207

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty

\$1,207

DEFERRAL

20%

Reduction

Adjustment

-\$241

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$966

Screening Date 1-Feb-2007

Docket No. 2007-0151-PWS-E

PCW

Respondent Church Hill Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 32507

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101205136

Media [Statute] Public Water Supply

Enf. Coordinator Tel Croston

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

| Component | Number of... | Enter Number Here | Adjust. |
|-------------------------------|--|-------------------|---------|
| NOVs | Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria) | 1 | 5% |
| | Other written NOVs | 0 | 0% |
| Orders | Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria) | 0 | 0% |
| | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 0 | 0% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (number of counts) | 0 | 0% |
| Emissions | Chronic excessive emissions events (number of events) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted) | 0 | 0% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed) | 0 | 0% |
| Please Enter Yes or No | | | |
| Other | Environmental management systems in place for one year or more | No | 0% |
| | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% |
| | Participation in a voluntary pollution reduction program | No | 0% |
| | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | No | 0% |

Adjustment Percentage (Subtotal 2) 5%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

N/A

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Respondent was issued one NOV for the same or similar type violation in the past five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 5%

Screening Date 1-Feb-2007

Docket No. 2007-0151-PWS-E

PCW

Respondent Church Hill Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 32507

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101205136

Media [Statute] Public Water Supply

Enf. Coordinator Tel Croston

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 290.45(b)(1)(C)(i) and Tex. Health & Safety Code § 341.0315(c)

Violation Description Failed to provide a well capacity of 0.6 gallons per minute ("gpm") per connection. Specifically, a facility with 129 connections should provide a minimum capacity of 77 gpm. At the time of the inspection, the total capacity was only 50 gpm, a 35% deficiency.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | | x | |

Percent 10%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0%

Failing to provide minimum well production capacity can result in the exposure of a significant amount of contaminants which may not exceed levels that are protective to human health and the environment.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 1

79 Number of violation days

| | | |
|----------------------------|--------------|---|
| mark only one with an x | daily | |
| | monthly | |
| | quarterly | x |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$100

One quarterly event is recommended from the date of the investigation (November 14, 2006) to the date of screening (February 1, 2007).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$360

Violation Final Penalty Total \$105

This violation Final Assessed Penalty (adjusted for limits) \$105

Economic Benefit Worksheet

Respondent Church Hill Water Supply Corporation
Case ID No. 32507
Reg. Ent. Reference No. RN101205136
Media Public Water Supply
Violation No. 1

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Overtime Costs | EB Amount |
|------------------|-----------|---------------|------------|-----|----------------|----------------|-----------|
| No commas or \$ | | | | | | | |

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|-----|------|-------|-------|
| Equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |
| Engineering/construction | \$5,000 | 14-Nov-2006 | 24-Nov-2007 | 1.0 | \$17 | \$342 | \$360 |
| Land | | | | 0.0 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.0 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.0 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.0 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.0 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to provide additional well capacity. The Date required is the investigation date. Final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|-----|-----|-----|-----|
| Disposal | | | | 0.0 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.0 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.0 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.0 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$360

Screening Date 1-Feb-2007**Docket No.** 2007-0151-PWS-E**PCW****Respondent** Church Hill Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 32507

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101205136**Media [Statute]** Public Water Supply**Enf. Coordinator** Tel Croston**Violation Number** 2**Rule Cite(s)** 30 Tex. Admin. Code § 290.45(b)(1)(C)(iv) and Tex. Health & Safety Code § 341.0315(c)**Violation Description** Failed to provide a pressure tank capacity of 20 gallons per connection. Specifically, a facility with 129 connections should have a tank capacity of 2,580 gallons. At the time of the inspection, the total capacity was 2,000 gallons, a 22% deficiency.**Base Penalty** \$1,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | | x | |

Percent 10%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0%**Matrix Notes**

If the minimum pressure tank capacity is not provided, customers of the water system could be exposed to significant amounts of contaminants which would not exceed levels that are protective of human health.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 179 **Number of violation days**

| | | |
|----------------------------|--------------|---|
| mark only one with an x | daily | |
| | monthly | |
| | quarterly | x |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$100

One quarterly event is recommended from the date of the investigation (November 14, 2006) to the date of screening (February 1, 2007).

Economic Benefit (EB) for this violation**Statutory Limit Test****Estimated EB Amount** \$380**Violation Final Penalty Total** \$105**This violation Final Assessed Penalty (adjusted for limits)** \$105

Economic Benefit Worksheet

Respondent Church Hill Water Supply Corporation
Case ID No. 32507
Reg. Ent. Reference No. RN101205136
Media Public Water Supply
Violation No. 2

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|--------------------------|-----------|---------------|-------------|-----|----------------|---------------|-----------|
| No commas or \$ | | | | | | | |
| Delayed Costs | | | | | | | |
| Equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |
| Engineering/construction | \$5,000 | 14-Nov-2006 | 15-Dec-2007 | 1.1 | \$18 | \$362 | \$380 |
| Land | | | | 0.0 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.0 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.0 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.0 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.0 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to provide the required pressure tank capacity. The Date required is the investigation date. Final date is the estimated date of compliance.

| | | | | | | | |
|--|--|--|--|-----|-----|-----|-----|
| Avoided Costs | | | | | | | |
| ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs) | | | | | | | |
| Disposal | | | | 0.0 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.0 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.0 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.0 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance \$5,000
TOTAL \$380

Screening Date 1-Feb-2007

Docket No. 2007-0151-PWS-E

PCW

Respondent Church Hill Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 32507

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101205136

Media [Statute] Public Water Supply

Enf. Coordinator Tel Croston

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 290.45(b)(1)(C)(ii) and Tex. Health & Safety Code § 341.0315(c)

Violation Description

Failed to provide a total storage capacity of 200 gallons per connection. Specifically, a facility with 129 connections should have a total storage capacity of 25,800 gallons. At the time of the inspection, the total capacity was 22,000 gallons, a 15% deficiency.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | | x | |

Percent 10%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0%

Matrix Notes

The lack of storage tank capacity could result in water outages, potentially allowing a significant amount of contaminants to enter the water supply which would not exceed levels that are protective of human health.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 1

79 Number of violation days

| | | |
|----------------------------|--------------|---|
| mark only one with an x | daily | |
| | monthly | |
| | quarterly | x |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$100

One quarterly event is recommended from the date of the investigation (November 14, 2006) to the date of screening (February 1, 2007).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$360

Violation Final Penalty Total \$105

This violation Final Assessed Penalty (adjusted for limits) \$105

Economic Benefit Worksheet

Respondent Church Hill Water Supply Corporation
Case ID No. 32507
Reg. Ent. Reference No. RN101205136
Media Public Water Supply
Violation No. 3

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 6.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|--------------------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
| <small>No commas or \$</small> | | | | | | | |

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|-----|------|-------|-------|
| Equipment | \$5,000 | 14-Nov-2006 | 24-Nov-2007 | 1.0 | \$17 | \$342 | \$360 |
| Buildings | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.0 | \$0 | \$0 | \$0 |
| Land | | | | 0.0 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.0 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.0 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.0 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.0 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to increase storage capacity to 26,000 gallons. Date required is the investigation date. Final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|-----|-----|-----|-----|
| Disposal | | | | 0.0 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.0 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.0 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.0 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

| | | | |
|----------------------------|---------|-------|-------|
| Approx. Cost of Compliance | \$5,000 | TOTAL | \$360 |
|----------------------------|---------|-------|-------|

Screening Date 1-Feb-2007

Docket No. 2007-0151-PWS-E

PCW

Respondent Church Hill Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 32507

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101205136

Media [Statute] Public Water Supply

Enf. Coordinator Tel Croston

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code § 290.43(c)(8)

Violation Description

Failed to maintain the ground storage tank in accordance with American Water Works Association standards. Specifically, at the time of the inspection, the exterior of the tank showed signs of deterioration.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | | x | |

Percent 10%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0%

Matrix Notes

If the coating on the ground storage tank is not maintained, rust could develop and cause a loss of tank integrity and reduction or loss of pressure throughout the system.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 1

79 Number of violation days

| | | |
|----------------------------|--------------|---|
| mark only one with an x | daily | |
| | monthly | |
| | quarterly | x |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$100

One quarterly event is recommended from the date of the investigation (November 14, 2006) to the date of screening (February 1, 2007).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$72

Violation Final Penalty Total \$105

This violation Final Assessed Penalty (adjusted for limits) \$105

Economic Benefit Worksheet

Respondent Church Hill Water Supply Corporation
Case ID No. 32507
Reg. Ent. Reference No. RN101205136
Media Public Water Supply
Violation No. 4

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
| No commas or \$ | | | | | | | |

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|-----|-----|------|------|
| Equipment | \$1,000 | 14-Nov-2006 | 24-Nov-2007 | 1.0 | \$3 | \$68 | \$72 |
| Buildings | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.0 | \$0 | \$0 | \$0 |
| Land | | | | 0.0 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.0 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.0 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.0 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.0 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to repair tank exteriors. Date required is the Investigation date. Final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs):

| | | | | | | | |
|-------------------------------|--|--|--|-----|-----|-----|-----|
| Disposal | | | | 0.0 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.0 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.0 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.0 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$72

Screening Date 1-Feb-2007

Docket No. 2007-0151-PWS-E

PCW

Respondent Church Hill Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 32507

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101205136

Media [Statute] Public Water Supply

Enf. Coordinator Tel Croston

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code § 290.46(m)

Violation Description

Failed to maintain the housing for the gas chlorination equipment. Specifically, at the time of the inspection, the door needed to be repaired or replaced.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | x | | |

Percent 25%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0%

Matrix Notes

Failure to properly secure the housing door for the gas chlorination equipment could expose human health to significant amounts of pollutants which would exceed levels that are protective of human health.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 3

79 Number of violation days

| | | |
|-----------------------------|--------------|---|
| mark only one with an x. | daily | |
| | monthly | x |
| | quarterly | |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$750

Three monthly events are recommended from the date of the investigation (November 14, 2006) to the date of screening (February 1, 2007).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$18

Violation Final Penalty Total \$787

This violation Final Assessed Penalty (adjusted for limits) \$787

Economic Benefit Worksheet

Respondent Church Hill Water Supply Corporation
Case ID No. 32507
Reg. Ent. Reference No. RN101205136
Media Public Water Supply
Violation No. 5

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|--------------------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
| <small>No commas or \$</small> | | | | | | | |

Delayed Costs

| | | | | | | | |
|--------------------------|-------|-------------|-------------|-----|-----|------|------|
| Equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Buildings | \$250 | 14-Nov-2006 | 24-Nov-2007 | 1.0 | \$1 | \$17 | \$18 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.0 | \$0 | \$0 | \$0 |
| Land | | | | 0.0 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.0 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.0 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.0 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.0 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to replace housing door. Date required is the investigation date. Final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|-----|-----|-----|-----|
| Disposal | | | | 0.0 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.0 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.0 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.0 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$18

Compliance History

| | | | | |
|---|---|--------------------------------------|-----------------|--------------------|
| Customer/Respondent/Owner-Operator: | CN600649339 | Church Hill Water Supply Corporation | Classification: | Rating: |
| Regulated Entity: | RN101205136 | CHURCH HILL WSC | Classification: | Site Rating: |
| ID Number(s): | PUBLIC WATER SYSTEM/SUPPLY WATER LICENSING | REGISTRATION LICENSE | | 2010008 2010008 |
| Location: | CR 331D AND FM 1251, Rusk County | | | |
| TCEQ Region: | REGION 05 - TYLER | | | |
| Date Compliance History Prepared: | February 15, 2007 | | | |
| Agency Decision Requiring Compliance History: | Enforcement | | | |
| Compliance Period: | February 15, 2002 to February 15, 2007 | | | |
| TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History | | | | |
| Name: | Tel Croston | Phone: | 239-5717 | |

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
- | | | |
|-----|------------|----------|
| 1 | 05/12/2003 | (35512) |
| N/A | | |
| 2 | 01/10/2007 | (535502) |
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
- | | | |
|--------------|---|--------------------------|
| Date: | 05/13/2003 | (35512) |
| Self Report? | NO | Classification: Moderate |
| Citation: | 30 TAC Chapter 290, SubChapter D 290.43(d)(3) | |
| Description: | Failure to equip all air compressor injection lines for pressure tanks with a filter or other device to prevent compressor lubricants and other contaminants from entering the pressure tank. | |
| Self Report? | NO | Classification: Moderate |
| Citation: | 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(C)(i) 5A THC Chapter 341, SubChapter A 341.0315[G] | |
| Description: | Failure to provide a well capacity of 0.6 gallons per minute per connection. | |
| Self Report? | NO | Classification: Moderate |
| Citation: | 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(C)(iv) 5A THC Chapter 341, SubChapter A 341.0315[G] | |
| Description: | Failure to provide a pressure tank capacity of 20 gallons per connection. | |
| Self Report? | NO | Classification: Moderate |
| Citation: | 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(C)(ii) 5A THC Chapter 341, SubChapter A 341.0315[G] | |
| Description: | Failure to provide a total storage capacity of 200 gallons per connection. | |
- F. Environmental audits.
N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CHURCH HILL WATER SUPPLY
CORPORATION
RN101205136**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0151-PWS-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Church Hill Water Supply Corporation ("Church Hill WSC") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and Church Hill WSC appear before the Commission and together stipulate that:

1. Church Hill WSC owns and operates a public water supply at the intersection of County Road 331D and Farm-To-Market Road 1251, Rusk County, Texas (the "Facility") that has approximately 129 service connections and serves at least 25 people per day for at least 60 days per year.
2. The Commission and Church Hill WSC agree that the Commission has jurisdiction to enter this Agreed Order, and that Church Hill WSC is subject to the Commission's jurisdiction.
3. Church Hill WSC received notice of the violations alleged in Section II ("Allegations") on or about January 14, 2007.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Church Hill WSC of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of One Thousand Two Hundred Seven Dollars (\$1,207) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Church Hill WSC has paid Nine Hundred Sixty-Six Dollars (\$966) of the

administrative penalty and Two Hundred Forty-One Dollars (\$241) is deferred contingent upon Church Hill WSC's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Church Hill WSC fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Church Hill WSC to pay all or part of the deferred penalty.

6. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
7. The Executive Director of the TCEQ and Church Hill WSC have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
8. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Church Hill WSC has not complied with one or more of the terms or conditions in this Agreed Order.
9. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
10. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, Church Hill WSC is alleged to have:

1. Failed to provide a well capacity of 0.6 gallons per minute ("gpm") per connection, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(i) and TEX. HEALTH & SAFETY CODE § 341.0315(c), as documented during an investigation conducted on November 14, 2006.
2. Failed to provide a pressure tank capacity of 20 gallons per connection, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(iv) and TEX. HEALTH & SAFETY CODE § 341.0315(c), as documented during an investigation conducted on November 14, 2006.
3. Failed to provide a total storage capacity of 200 gallons per connection, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(ii) and TEX. HEALTH & SAFETY CODE § 341.0315(c) as documented during an investigation conducted on November 14, 2006.
4. Failed to maintain the storage tanks in accordance with American Water Works Association standards, in violation of 30 TEX. ADMIN. CODE § 290.43(c)(8) as documented during an investigation conducted on November 14, 2006.
5. Failed to maintain the housing for the gas chlorination equipment in good working condition, in violation of 30 TEX. ADMIN. CODE § 290.46(m) as documented during an investigation conducted on November 14, 2006.

III. DENIALS

Church Hill WSC generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Church Hill WSC pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and Church Hill WSC's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Church Hill Water Supply Corporation, Docket No. 2007-0151-PWS-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that Church Hill WSC shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order;
 - i. Repair and begin maintaining the exterior coating on the ground storage tank, in accordance with 30 TEX. ADMIN. CODE § 290.43; and
 - ii. Replace the door to the housing for the chlorination equipment and begin maintaining it, in accordance with 30 TEX. ADMIN. CODE § 290.46.
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below in Ordering Provision 2.d., and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a.
 - c. Within 90 days after the effective date of this Agreed Order;
 - i. Provide a well capacity of not less than 0.6 gpm, in accordance with 30 TEX. ADMIN. CODE § 290.45.
 - ii. Provide a minimum pressure tank capacity of 20 gallons per connection, in accordance with 30 TEX. ADMIN. CODE § 290.45.
 - iii. Provide a minimum storage tank capacity of 200 gallons per connection, in accordance with 30 TEX. ADMIN. CODE § 290.45.

- d. Within 105 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation and/or other records to demonstrate compliance with Ordering Provision 2.c.

The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Public Water Supply Section, Manager
Tyler Regional Office
Texas Commission on Environmental Quality
2916 Teague Drive
Tyler, Texas 75701-3756

3. The provisions of this Agreed Order shall apply to and be binding upon Church Hill WSC. Church Hill WSC is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Church Hill WSC shall be made in writing to the Executive Director. Extensions are not effective until Church Hill WSC receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. This Agreed Order, issued by the Commission, shall not be admissible against Church Hill WSC in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
6. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by

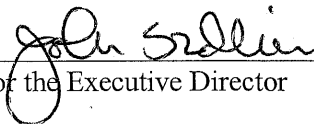
facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

7. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Church Hill WSC, or three days after the date on which the Commission mails notice of the Order to Church Hill WSC, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director


7/30/07
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me;
- and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

16 May 07
Date

David L. Whitehead
Name (Printed or typed)
Authorized Representative of
Church Hill Water Supply Corporation

President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

